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**Electronically Recorded** 

Official Public Records

**Tarrant County Texas** 

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Mary Louise Garein

Mary Louise Garcia

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\$24.00

Submitter: ACS



DALE PROPERTY SERVICES, LLC ATTN: RECORDING TEAM 500 TAYOLR ST. STE 600 FORT WORTH, TEXAS 76102

Submitter: DALE PROPERTY SERVICES, LLC

MARY LOUISE GARCIA
TARRANT COUNTY CLERK
TARRANT COUNTY COURTHOUSE
100 WEST WEATHERFORD
FORT WORTH, TX 76196-0401

## **DO NOT DESTROY**

<u>WARNING – THIS IS PART OF THE OFFICAL RECORD</u>

ELECTONICALLY RECORDED BY ACS ERXCHANGE

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE

## PAID UP OIL AND GAS LEASE (No Surface Use)

Electronically Recorded Chesapeake Operating, In

THIS LEASE AGREEMENT is made this 3 day of Natch 2011, by and between Linh Lu, A single person whose address is 226 Middleburg Drive.

Panama City Beach, FL, 32413, as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described leased premises:

0.296 ACRES OF LAND, MORE OR LESS, BEING BLOCK 15, LOT 9, OUT OF THE RYANWOOD ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME 388-34, PAGE 3, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT, State of TEXAS, containing <u>0.296</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>Five</u> (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in

effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be <u>Twenty Five Percent</u> (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the nearest field in which there is such a prevailing price) for or to Lessor's credit at the oil purchaser's transportation racinities, provided that Lessee shall have the continuing right to purchase such production at the wellnead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty Five Percent (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by L

at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries premises or lands pooled therewith within 90 days after completion of operations or such dry hole premises or lands pooled therewith within 90 days after completion of operations on such dry hole premises or lands pooled therewith within 90 days after completion of operations on such dry hole premises or lands pooled therewith within 90 days after completion of operations on such dry hole premises or lands pooled therewith within 90 days after completion of operations on such dry hole premises or lands pooled therewith its leases shall refure the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other or premises or premises or lands pooled therewith. After completion of a well capable of producing in paying quantities herein the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities herein with, or (b) to protect the leased premises as to formations then capable of producing in paying quantities entirely the capable producing in paying quantities and provided premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances overed by this lease, either before or after the commencement of production, when

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8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership shall be binding on Lessee until 60 days until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the interest shall not affect the nights of pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter anising with respect to the interest so released in accordance with the net acreage interest retained he

9. Lessee may, at any time and from time to time, cenver to Lesser or nie or record a written release as to a full or undivided interest in lail or any portion of the area covered by this lesses or any depth for some tender, and shall thereupon be relieved of allogations thereafter arising with respect to the interests or released. If Lessee releases all or an undivided interest in less than all of the area covered hereby. Lessee's obligation to pay or tender shuthin royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessees shall have the right of ingress and gyress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises of tender from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary fights granted other lands in which Lessor on over hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith, the ancillary fights granted other lands in which Lessor on over hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith, when requested by Lessor in own the leased premises or such other lands during the term of the leased premises or such other lands during the term of the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee shall bury its pipelines be

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations

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17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that on and gas lease payments, in the form of rental, bonus and royany, are market sensure and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named

SSOR (WHETHER ONE OR MORE)	
Signature:	Signature:
Printed Name: LINH W	Printed Name:
STATE OF TEXAS FOUND ACKNOWLEDGMENT COUNTY OF TARRANT BOUTTHIS instrument was acknowledged before me on the 315 day of Molech, 2011, by 110 h	
CATHERINE L. KLINE MY COMMISSION # DD 824963 EXPIRES: September 22, 2012	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF TEXAS  COUNTY OF TARRANT  This instrument was acknowledged before me on theday of, 2011, by	
	Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
CORPORATE ACKNOWLEDGMENT STATE OF TEXAS COUNTY OF TARRANT	
This instrument was acknowledged before me on the day of, 2011, by of corporation, on behalf of said corporation.	